

ANOTHER CHAPTER OF ERIE.

A Shadow of a Great Strategic Movement.

Threatening Consolidation of the Mortgage Debt-Flanking News for Stockholders-Burt Flanked-The Present Management Entrenching Themselves.

Financial circles have been somewhat stirred recently by a rumor that the Erie management intended some grand coup. With a view to determine the importance of such a rumor a HERALD reporter called at the gilded palace of King Corporation, on Twenty-third street, yesterday to ascertain what the meditated maneuver amounted to. Everybody, however, showed an alacrity of ignorance on the subject, and the main spring, Mr. Gould, went under cover on hearing a HERALD reporter wanted to review him, and declined giving an audience. The employees, taking their cue from the manager, plumed off all questions, and seemed to move about as mysteriously as scouts on a picket line. Falling to acquire information in that quarter Wall street was next tried with more satisfactory result. There it was learned that it was the intention of the Erie management to create a consolidated mortgage on the property of the company. The following is what is feared.

The genius of Fish and Gould has never been more perfectly demonstrated than in the successful way in which they have succeeded in getting through the Legislature acts to perpetuate their control of Erie. The famous Classification bill, which has almost become a political issue, does not need reference here. Again, at the Legislature, a bill was introduced, meaning the privilege of evaluating themselves of the legislation of other States into which their franchise extends, the effect of which would have been that even if Mr. Burt had succeeded in procuring the repeal of the Classification bill in this State the Erie management could have continued their tenure of office by classifying under the law of Pennsylvania.

During the same session a bill was introduced, but not passed, whereby a majority of the mortgage creditors of any railroad in this State could obtain control of the road by a summary process of foreclosure, to be followed by the organization of a new corporation under their direction. The HERALD financial article called attention to this bill at the time of its introduction, and suggested that it might be intended to subvert the interests of the present Erie management in enabling them to strengthen their hold upon the road. This notice, however, failed at the time to excite more than the ordinary daily comment in financial circles, the general impression then being that the bonded debt of Erie was mostly held by outsiders. Interest in the subject has, however, been revived by the publication of a weekly journal of the following advertisement:

Notice is hereby given, as required by law, that the Erie Railroad Company to create a consolidated mortgage on the property of the company.

This important notice has since appeared in other journals; but the circumstance of its first publication in a weekly journal, and the fact of its being addressed to the financial world, has increased the curiosity left as to its precise meaning.

The present funded debt of the road is as follows:

Buffalo Branch bonds, January 1, 1891.....	926,500
First estate.....	186,400
Convertible bonds, \$800,000, convertible, September, 1879.....	600
	<u>\$4,544,400</u>
Total.....	\$23,398,800

THE MORTGAGE DEBT

bonds to \$18,367,500, and probably this only, it is believed, would participate in the general consolidated mortgage. In this event the Buffalo Branch bonds, and the English debentures, with all the debt the company below the fifth mortgage, including k, both common and preferred, would be in danger of becoming valueless.